INTERIM
BUDGET
1996-97

SPEECH OF

MINISTER FOR FINANCE

Dr. V. R. NEDUNCHEZHIYAN

Masi 8, Thiruvalluvar Aandu 2027

20th February 1996

Speech of Dr.V.R.Nedunchezhiyan, Minister for Finance, Government of Tamil Nadu, presenting the Interim Budget for 1996-97 to the Legislative Assembly on 20th February 1996.

Hon'ble Speaker Sir,

It is my pleasure and privilege to place the Revised Estimates for 1995-96 and the Interim Budget Estimates for 1996-97 before this House for its approval.

"பிணி இன்மை செல்வம் விளைவு இன்பம் ஏமம்
அணி என்ப நாட்டிற்குஇவ் வைந்து."

**"Health, wealth, agriculture production, happiness, safety
Are a land's five ornaments."**

According to Saint Thiruvalluvar's saying, a state of good health for the people, good economy for the country, surplus agricultural production, ensuring the prosperity of the people and providing adequate safety are the five essential requirements for a country. As per the doctrine of Saint Thiruvalluvar, Tamil Nadu, under the capable leadership and efficient rule of the Hon'ble Chief Minister Dr.J.Jayalalitha, has progressed and flourished during the past five years, a fact which is well known to one and all.

The people of Tamil Nadu elected the All India Anna Dravida Munnetra Kazhagam led by Puratchi Thalaivi Dr.J.Jayalalitha in 1991 with a resounding majority to govern the State. The policies and programmes followed by this Government, guided by the principles laid down by Perarignar Anna and the humanism of Ponmana Chemmal Dr.M.G.R. have brought prosperity to the people of Tamil Nadu. The unshakeable faith the people have placed in this Government has been fully vindicated by our splendid performance over the last five years. We have matched promise with performance, providing excellent administration and firmly placing the State on the path of sustained development.

2. This Government will be successfully completing its full term by June 1996. In keeping with the best traditions of parliamentary democracy, we have decided to present an Interim Budget for the year 1996-97 based on which a Vote on Account will be obtained for the expenditure in the first 6 months of the next financial year. The main budget will be presented in the newly elected Legislative Assembly.

3. The economic crisis faced by the country in the years 1990 and 1991 led to far reaching measures of economic reform and liberalisation. This Government has consistently supported the economic reforms initiated by the Central Government. At the same time, out of our concern for the poor and the disadvantaged we have stressed the need to ensure that the conditions of life of the poor are not adversely affected and the levels of expenditure on the critical elements of social welfare are not reduced.

4. There is now a shift in the focus from the reforms at the national level to State level reforms. The reforms that the Government of India can effect in terms of deregulation of the economy are generally easier to implement since the instruments for macro-economic control are largely vested with the Centre. The State level reforms are much more difficult to accomplish. Fiscal reforms including public expenditure limitation have to be undertaken in a context where the bulk of the State Government expenditure is on social services which cannot and should not be reduced and is related to salary costs, which are difficult to contain. At the same time, resources have to be found for large additional investments for upgrading the infrastructure required for speeding up economic growth.

5. Inspite of the difficulties involved, the Government of Tamil Nadu has already embarked on certain policy initiatives for economic reforms in the state. On the fiscal side, we have considerably simplified the complicated Sales Tax structure. The total number of rates was brought down from 17 to 5 basic rates and 4 special rates. The grouping of goods was also rationalised. Moves towards reduction of input taxation have been initiated. I participated in the meeting of the State Finance Ministers on Sales Tax Reforms in December 1995 in which it was resolved that States will move towards the harmonisation of tax rates and withdrawal of distorting waiver and deferral schemes by 1st April 1997.

6. We have undertaken a number of measures to ensure the provision of improved infrastructure for industries in the State. The Industrial Policy announced in June 1992 and the State Specific Plan of Action provide mechanisms for quick clearance of investment proposals in the State. In order to augment the availability of funding for infrastructure, we have welcomed private sector initiatives in areas such as power generation and construction of highways.

7. The improvements in the industrial climate of the State have started yielding results. The rate of growth of the Index of Industrial Production which was only 4.1% in 1991-92 has picked up substantially to 8.7% in 1994-95. The growth rate of Net State Domestic Product has increased from 2.69% in 1991-92 to 4.90% in 1994-95.

8. The drought situation in the current year compounded by the non-release of water by the Government of Karnataka in the Cauvery river has resulted in an estimated loss of foodgrain production of 14 lakh tonnes. This Government, ever vigilant of the need to protect the poor from the adverse impact of the drought, decided to provide an additional 8 kg. of rice per family card in the Public Distribution System so as to keep the food prices under check. The additional financial commitment of Rs.70 crores per month for food subsidy due to this measure did not deter us from taking this bold decision. **With this, the overall food subsidy burden during 1995-96 will go up from the level of Rs.600 crores, estimated at the time of presentation of the Budget, to Rs.800 crores in the Revised Estimates 1995-96. Rs.840 crores has been provided for food subsidy in the Interim Budget Estimates, 1996-97.** The commitment of this Government to holding down the price level and ensuring basic food security at all costs can be seen by comparing the food subsidy provided in 1995-96 and 1996-97 with the level of Rs.105 crores in 1990-91.

TENTH FINANCE COMMISSION

9. In my speech presenting the Budget for 1995-96, I had analysed in detail the report of the Tenth Finance Commission and its adverse impact on the finances of our State. I had indicated that the Tenth Finance Commission's recommendations had not increased the overall divisible pool of resources available for distribution amongst the States. I had also indicated how the better managed States like Tamil Nadu had suffered at the hands of the Tenth Finance Commission. Moreover, there are certain aspects of the Commission's report on which we expect further action. The Government of India is yet to react to the alternative scheme of devolution suggested by the Tenth Finance Commission. Although in the alternative scheme, the overall level of devolution will not increase, it gives the States a share in some of the more buoyant tax receipts of the Government of India, like Corporation Tax and Customs Duties. Even in the current year, the growth rate of Customs Duties and Corporation Tax which are not shared, is reported to be much higher than of Union Excise duties which are shared with the States. We would

therefore urge the Government of India to take necessary further action on the alternative scheme of devolution recommended by the Tenth Finance Commission.

10. As the Hon'ble Members are aware, the Tenth Finance Commission has recommended grants to local bodies. These grants are to be utilised only for new capital investments by the local bodies. **During 1996-97, Rs.100.71 crores will be available to Tamil Nadu, of which Rs.71.83 crores are for rural local bodies and Rs.28.88 crores are for urban local bodies.** Necessary provisions have been made in the Interim Budget Estimates. The distribution of these grants amongst the local bodies will be done on the basis of the recommendations of the State Finance Commission.

ANNUAL PLAN

11. Hon'ble Members of the House are well aware of the special efforts taken by the Hon'ble Chief Minister to obtain for the State large and consistent increases in the approved Annual Plan outlays every year since 1991-92. More significantly, we have ensured that the approved outlays have been exceeded in actual implementation. This performance is even more creditable when viewed in the context of a number of major States being unable to perform their original approved Annual Plan outlays, and reflects our commitment to the development of the State.

12. During 1994-95, 9 non-special category States have not been able to achieve the original approved plan outlay. As against this, even when the level of the approved outlay for 1994-95 was increased by a record 30.89 percent to Rs.2750 crores, our actual level of performance has been Rs.2845.70 crores.

13. In the current year, against an approved outlay of Rs.3200 crores, a provision of Rs.3250.58 crores was made in the Budget Estimates. In the Revised Estimates, provision for plan schemes has been enhanced further to Rs.3316.24 crores, and the State is confident of fully achieving the plan outlay during 1995-96 as well. With this, at the end of the fourth year of the Eighth Five Year Plan, 80.66 percent of the approved outlay would have been performed in real terms. This compares very favourably with the overall achievement of all the non-Special Category States during the same period, which is only 59 per cent of the Eighth Plan outlay.

14. The Plan Outlay for the year 1996-97 will be finalised by the Union Planning Commission only after the general elections. However,

in the Interim Budget Estimates, Rs.3549.68 crores has been provided for ongoing Plan schemes. This outlay may be increased when the Plan size is finally fixed. This will ensure that the State will exceed the overall Eighth Plan outlay of Rs.10,200 crores at constant prices.

SOCIAL SAFETY NET FOR THE POOR

15. Concurrent with the measures for reforms to accelerate the economic development of the State, we created a Social Safety Net for the poor which covers food security, nutrition, primary health care, universal elementary education, employment programmes for the poor, drinking water, shelter for the homeless, social security and special programmes for the weaker sections. **In the Revised Estimates for 1995-96, a total sum of Rs.2048.64 crores has been provided for the Social Safety Net, while in the Interim Budget for 1996-97, a provision of Rs.2076.18 crores has been made.**

16. The progress in the implementation of the 15 Point Programme launched by the Hon'ble Chief Minister on 14th November, 1993 has been sustained. The Puratchi Thalaivi Dr.Jayalalitha 15 Point Programme for Child Welfare has been lauded by independent international observers. The Child Welfare Sub-Plan which is an actuation of the 15 Point Programme has been implemented during 1994-95 and 1995-96. **In 1996-97 the outlay on this sub-plan will be Rs.819.31 crores.**

17. Tamil Nadu has been a model State in ensuring nutrition coverage for children. **The overall outlay for the Nutritious Meal Programme and the Tamil Nadu Integrated Nutrition Project during 1996-97 will be Rs.354.36 crores.** The preparation of the Third Tamil Nadu Integrated Nutrition Project has also been taken up. This will ensure that nutrition and health care coverage is continued for all the pre-school children in the State.

18. Health and Medical Services, particularly primary health care is a critical area to which special importance has been accorded by this Government. **The total outlay on Health and Family Welfare in the Interim Budget 1996-97 will be Rs.737.08 crores as against the outlay of Rs.688.95 crores in 1995-96. The basic thrust is to substantially improve the quality of services available in the Government Hospitals and Health Centres.** In the Interim Budget Estimates 1996-97, adequate provisions have been made for the maintenance of hospital buildings and equipment. The overall provision

for the supply of drugs and medicines has been enhanced to Rs.97 crores. Hon'ble Members of the House would recall the efforts taken by this Government to streamline the supply of drugs and surgical items through the Tamil Nadu Medical Services Corporation. These steps have ensured the availability of quality drugs in all Government hospitals and Primary Health Centres throughout the State benefiting the poorer sections of the society. It is a matter of great satisfaction to the Government that other States are taking steps to emulate our model. We propose to make this Corporation the nodal agency to procure and supply drugs to all departments in Government.

19. **Education continues to be the largest sector with a total outlay of Rs.2504.51 crores in 1996-97.** Provisions have been made for quality upgradation at various levels in line with the Government policy of ensuring better schooling. It is proposed to improve the facilities in schools by providing furniture, laboratories, teaching and play materials. The District Primary Education Project will be extended to cover three more districts during 1996-97 and the budget provides Rs.3.32 crores for implementing this project. A sum of Rs.8.02 crores has been provided for implementing the Technician Education Project during 1996-97.

20. In the Governor's Address the details of the various schemes implemented for the welfare of the Adi-Dravidars have already been outlined. **The total outlay for the Welfare of Scheduled Castes and Scheduled Tribes has been stepped up to Rs.230.41 crores in 1996-97. The level was Rs.114.96 crores in 1991-92.** The doubling of the level of outlay reflects the commitment of this Government to the welfare of the Scheduled Castes and Scheduled Tribes.

DEVELOPMENT SCHEMES

21. I would like to briefly highlight the provisions for some of the important ongoing schemes for 1996-97.

22. The excellent performance of the State in agricultural production has already been highlighted in the Governor's address. This reflects the success of the overall agricultural growth strategy of this Government which ensured that the farmers realise higher prices for their produce. Sustained public investment has also been made in agriculture. **The total plan provision for the agricultural sector in the Interim Budget Estimates will be Rs.210.24 crores.** The provision for the Tamil Nadu Agricultural Development Project has been

increased to Rs.86.06 crores in the Interim Budget Estimates. The provision for the Agricultural Human Resources Development Project has been stepped up to Rs.20.80 crores in 1996-97.

23. **The total provision for plan schemes in the Irrigation Sector in the Interim Budget Estimates will be Rs.249.83 crores.** The Water Resources Consolidation Project, which will cost Rs.1,240 crores has been launched from October 1995. This project will benefit 16.68 lakhs acres which is nearly 50% of the area irrigated by Government sources. In the Interim Budget Estimates **a provision of Rs.89.89 crores has been made for the Water Resources Consolidation Project.** A provision of Rs.18.98 crores has been made for the Tank Modernisation Project, which is being extended to cover 100 more tanks with an ayacut of 30,000 acres. One of our significant achievements has been in ensuring adequate provision of funds for the maintenance of irrigation projects. We have increased the maintenance provision to achieve the norms fixed by the Ninth and Tenth Finance Commissions. During 1991-92, the overall provision for the maintenance of major irrigation was Rs.10.65 crores and for minor irrigation, Rs.3.50 crores. In the Interim Budget Estimates for 1996-97 the maintenance provision for major irrigation will be Rs.21.84 crores and for minor irrigation Rs.7.90 crores.

24. Rural Development is one of the priority areas for this Government. **In the Interim Budget Estimates for 1996-97, the total plan provision for Rural Development has been increased to Rs.276.40** crores. This includes a provision of Rs.71.83 crores as capital grant to rural local bodies as part of the Tenth Finance Commission's recommendations. The Jawahar Velai Vaippu Thittam will be implemented with a total outlay of Rs.368.60 crores during 1996-97 and the Interim Budget Estimates include a provision of Rs.87.70 crores as the State's share. During 1995-96, 70,187 concrete houses are to be constructed under the Jawahar Velai Vaippu Thittam. Provision has been made for the construction of the same number of houses during 1996-97. The total outlay during 1996-97 on the Integrated Rural Development Project will be Rs.86.92 crores and the Interim Budget includes a sum of Rs.43.46 crores as the State's share. We had launched the District Decentralised Plan in 1992-93 with an outlay of Rs.20 crores to provide untied funds at the district level for various development schemes. This outlay has been stepped up to Rs.50.71 crores in 1995-96 and has been maintained at this level in the Interim Budget Estimates for 1996-97.

25. The sustained emphasis of the Government on developing the infrastructure sectors is well known. **The Power Sector Plan Outlay for 1995-96 of Rs.750 crores will be exceeded in actual implementation.** The initiatives taken by the State Government for the creation of additional generation capacity have already been outlined in detail in the Governor's Address. The Tamil Nadu Electricity Board is setting up 110 Sub-Stations during 1995-96 in order to improve the transmission and distribution network in the State. The loss on account of free supply of electricity to farm pumpsets will be Rs.1358 crores during 1995-96. The loss is likely to widen further during 1996-97.

26. **A provision of Rs.468.32 crores has been made for roads and bridges in the Interim Budget for 1996-97, which represents a substantial increase over the outlay of Rs.424.12 crores in 1995-96.** The total outlay on maintenance of roads during 1996-97 will be Rs.204.46 crores. In 1991-92, a five year Special Repairs Programme was launched to cover the backlog of maintenance, which will be completed during 1995-96, with a total outlay of Rs.178.40 crores as against the originally envisaged outlay of Rs.150 crores. 15,926 kms of roads have been covered under this programme. Provision for the Rural Roads Programme has been stepped up to Rs.22.50 crores during 1996-97. **The entire Rural Roads Programme under the Tamil Nadu Agricultural Development Project will be completed by March 1997 and the provisions have accordingly been stepped up to Rs.35 crores in the Interim Budget Estimates.** The Coastal Roads Improvement Programme will be continued in 1996-97 with an outlay of Rs.9.21 crores.

27. Tamil Nadu is the second most urbanised state in the country. The increasing needs of the urban areas require larger allocation of resources. **The Tamil Nadu Urban Development Project will be continued in 1996-97 with a total outlay of Rs.260.50 crores including budgetary support of Rs.206.19 crores.** An Urban Infrastructure Fund is being set up in partnership with financial institutions in order to make more funds available to meet the infrastructure financing needs of the municipalities in the State and to ensure quality project preparation and appraisal. The development of infrastructure in Tiruppur, one of the most dynamic industrial areas in the State, has been entrusted to the New Tiruppur Development Corporation Limited in which TACID, the Tiruppur Exporters' Association and M/s. Infrastructure Leasing and Financial Services Limited (ILFS) are share holders. This Corporation will raise resources

from the capital market and will adopt novel methods such as Build, Operate, Transfer (BOT) for making massive investments to develop Tiruppur's infrastructure. Through these innovative means, a total investment of Rs.1313.20 crores will be ensured for the provision of drinking water supply, roads, communications, municipal waste management and effluent treatment in Tiruppur.

28. Hon'ble Members of the House are aware that substantial progress has been achieved under all components of the Madras Vision 2000 programme and we are confident that the initiatives launched by this Government to make Madras a premier metropolitan city by the year 2000 will be fully achieved. The formation of an Outer Ring Road for Madras city at a total cost of Rs.317 crores is being taken up and Rs.10 crores has been sanctioned for land acquisition. The Metropolitan Infrastructure Development Corporation has been formed with a total share capital of Rs.56 crores. This Corporation will fund investment on infrastructure in the Madras Metropolitan Area for projects worth Rs.887 crores. The Government of Tamil Nadu and Government of India will be providing grants of Rs.100 crores each to this Corporation in the Eighth Plan period.

29. Housing is an important economic activity with substantial employment generation potential. The State's performance in the housing sector has been very good. Under the Rural Housing Scheme, the number of houses to be constructed has been increased to 58,200 during 1995-96. The scheme for Shelter Upgradation in Rural Areas (SHUPRA) will be continued during 1996-97 with a total outlay of Rs.1.50 crores. The Tamil Nadu Slum Clearance Board will be covering 10,000 families under the Slum Improvement Programme component of TNUDP at a cost of Rs.2.50 crores during 1996-97. 2,500 slum tenements at a total cost of Rs.8 crores will be constructed during 1996-97. In addition, the Tenth Finance Commission has recommended a Special Problem Grant of Rs.60 crores to tackle the problem of urban slums in Tamil Nadu. Suitable schemes to rehouse slum families in alernative developed plots will be drawn up. **The provision for House Building Advance to Government employees has been stepped up substantially to Rs.74.15 crores in 1996-97. This represents a more than four fold increase in the provision for House Building Advance which in 1991-92 was only Rs.17.63 crores.**

30. The total outlay on Water Supply and Sewerage in the Interim Budget Estimates 1996-97 will be Rs.482.50 crores. The total outlay on Rural Water Supply will be Rs.103.95 crores. Tamil Nadu's achievement in the area of rural water supply has been remarkable.

During the five year period from 1991-92 to 1995-96, 17,987 rural habitations in the State with a total population of 1 crore will have been covered. This includes 8,315 Scheduled Caste and Scheduled Tribe habitations with a population of 30 lakhs. **With this level of coverage, we would have ensured that every rural habitation in the State will be provided with at least one source of potable drinking water supply. From 1996-97 onwards the emphasis will be on augmenting water supply in the partially covered rural habitations.** All the Municipal Corporations and municipalities in the State have been provided with water supply schemes. By the end of 1996-97, 326 Urban Town Panchayats and 173 Rural Town Panchayats would be provided with drinking water supply schemes.

31. This Government has accorded the highest importance to free Madras city from chronic water shortages. The First Madras Water Supply and Sanitation Project will be completed by March, 1996 at a total cost of Rs.255.05 crores. **The Second Madras Water Supply and Sanitation Project has been launched at a total cost of Rs.1,638 crores to bring 180 mld of water from the Veeranam Tank to Madras city. The provision for this scheme in the Interim Budget Estimates is Rs.299.10 crores.** All the works to receive, treat and distribute Krishna Water in the first phase have been completed. We have already released Rs.462 crores to the Government of Andhra Pradesh out of the total share of Rs.521 crores for the implementation of the Telugu Ganga Project. We would urge the Government of Andhra Pradesh to release water to Madras city immediately.

FINANCIAL POSITION

32. Hon'ble Members are aware of the precarious financial position when this government took office. The total deficit for 1991-92 when we assumed office was Rs.898 crores. In keeping our promise to abolish the sale of country liquor, which was the first decision of this government, the revenue loss was Rs.322 crores resulting in an overall deficit of Rs.1220 crores. The Government of India did not respond to our appeal for financial assistance to offset the revenue loss. However, through efficient financial management, we have now succeeded in improving the overall financial situation of the State considerably. The revenue deficit, not taking into account the adjustment of dues from the Tamil Nadu Electricity Board to Government against arrears of tariff compensation, was Rs.878.87 crores in 1991-92 and peaked at Rs.1143.67 crores in 1992-93. Thereafter the revenue deficit has been reduced to Rs.691.86 crores in 1993-94 and Rs.415.55 crores in 1994-95.

33. This improvement was in part due to the buoyancy in tax revenue caused by the overall growth of the economy. The clearly focussed expenditure policy of the Government, which had the support of the Hon'ble Members, also resulted in the narrowing of the revenue deficit.

34. In the Budget Estimates for 1995-96 a revenue deficit of (-)Rs.925.55 crores was anticipated. I announced the reduction in the prices of rice in the Public Distribution System by Re.1 per kg. in my last Budget Speech and as a result the revenue deficit was estimated to increase by (-)Rs.150 crores to (-)Rs.1075.55 crores. Accordingly, the closing final deficit for 1995-96 was expected to be (-)Rs.175.25 crores.

35. The position in the Budget Estimates, 1995-96 clearly reflected the difficult financial situation. Despite this, the expenditure on critical items in priority sectors could not be reduced. Several factors beyond the control of this Government like drought relief as also the imperative need to sustain social sector expenditure and development outlays, have caused a further widening of the deficit during 1995-96.

36. The Government of India had announced 2 additional instalments of Dearness Allowance of 11% each on 1st January 1995 and 1st July 1995. The Government of India also announced an additional instalment of Interim Relief of 10% of basic pay to all employees with effect from 1st April 1995. As we had already adopted the Central Government scales of pay and Dearness Allowance, we had to follow suit. This resulted in an additional expenditure of Rs.350 crores over the provisions in the Budget during 1995-96. The food subsidy has increased from the originally estimated Rs.600 crores to Rs.800 crores. The expenditure in connection with drought relief was not provided in the Budget Estimates. Additional provisions have had to be made towards the setting up of desalination plants in Ramanathapuram district to meet the drinking water problem. Against the approved Annual Plan outlay of Rs.3,200 crores, in the Revised Estimates 1995-96 the provision for Plan schemes is Rs.3,316.24 crores. All these items together have led to a substantial increase in the deficit during 1995-96.

37. In the Revised Estimates for 1995-96, the total revenue receipts are estimated at Rs.9,689.22 crores which represents an increase of Rs.704.15 crores over the provisions in the Budget Estimates, 1995-96. This has been the result of sustained attempts to increase tax collection and mobilise greater resources for developmental activities.

As against this, the total revenue expenditure in the Revised Estimates for 1995-96 is Rs.10,857.84 crores which represents an increase of Rs.947.22 crores over the Budget Estimates, 1995-96. This has resulted in the widening of the revenue deficit to (-)Rs.1,168.62 crores in the Revised Estimates for 1995-96. The net effect of all the transactions during the year 1995-96 will be a deficit of (-) Rs.354.50 crores. Along with the closing balance of (-)Rs.55.66 crores in the Accounts for the year 1994-95, the closing final deficit I anticipate for 1995-96 will be (-)Rs.410.16 crores.

38. In the Interim Budget Estimates for 1996-97, the total revenue receipts are estimated at Rs.10,543.52 crores and the revenue expenditure is estimated at Rs.11,505.61 crores resulting in a revenue deficit of (-)Rs.962.09 crores. The reduction in the revenue deficit level in the Budget Estimates, 1996-97, is mainly because no new Part II schemes have been provided for in the Interim Budget. The net effect of the transactions in all the accounts in the Interim Budget Estimates for 1996-97 is a deficit of (-) Rs.270.66 crores. With the anticipated closing balance in the Revised Estimates for 1995-96 estimated at (-)Rs.410.16 crores, the overall total deficit at the end of 1996-97 will be (-)Rs.680.82 crores.

39. The level of revenue deficit is a cause for concern. The expenditure policies followed in the previous four years will have to be continued and implemented vigorously to keep the level of deficit under control.

40. As this is an Interim Budget, no new taxation measures have been proposed to bridge the deficit. Suitable additional resource mobilisation measures may have to be considered at the appropriate stage.

41. I would like to take this opportunity to once again stress that the States should be given a share in the more buoyant sources of revenue by the Centre. The Central Government should take a decision on the alternative scheme of devolution quickly. I would also urge that the discretionary flow of funds for the various programmes of the Government of India would have to be reduced and instead the States would have to be given a definite share out of the resources of the Union so as to plan their financial and development strategies.

42. This Government is approaching the culmination of a very successful 5 year tenure in office. The faith reposed by the people of Tamil Nadu in the Government headed by Puratchi Thalaivi

Dr.J.Jayalalitha has been fully vindicated. This Government has secured for the people an improved quality of life. Rapid strides have been made in every sphere. Tamil Nadu continues to retain its pre-eminent position as an industrial State in the country in a highly competitive environment. Agricultural production and productivity have shown steady increases. The level of poverty in the State has also been reduced substantially. Achievements in the demographic indicators are very heartening. Above all, Tamil Nadu today stands tall in the country as an oasis of peace and an epitome of communal harmony. We are today, a model worthy of emulation in the country.

43. I invite the Hon'ble Members of the House to offer their valuable suggestions in a constructive manner during the discussion that will follow the presentation of the Interim Budget.

44. I thank the Finance Secretary Thiru P.V. Rajaraman and other Government officers who have been of great assistance in preparing this Interim Budget.

45. With these words, I commend the Interim Budget Estimates, 1996-97 for the approval of the House.

Vanakkam

V.R. NEDUNCHEZHIYAN,
MINISTER FOR FINANCE.

Madras,
20th February 1996,
Masi 8,
Thiruvalluvar Aandu, 2027.